

ITEM # RESO 08-248
FISCAL IMPACT: \$450,901
FUNDING SOURCE: CIP Fund
ACCOUNT: 45-9610-40750-00000-5115
BUDGET OPENING REQUIRED: No

ISSUE:

Cooperative Agreement with Rocky Mountain Power (RMP) and the Utah Department of Transportation (UDOT) to bury power lines on 3500 South.

SYNOPSIS:

This agreement replaces an agreement previously approved by the City Council on February 5, 2008 (Resolution 08-39), which was never executed by the other parties.

BACKGROUND:

Under Utah State law, UDOT and Rocky Mountain Power each share 50% of the cost of relocating power facilities located on State highways, whenever a widening project necessitates the relocation of these facilities. Placing the power facilities underground is considered a betterment to be done at the City's expense. The total estimated cost to move and bury the power lines is \$953,168. The cost of overhead relocation is \$502,718. The difference between the two estimates (\$450,901) is the City's responsibility.

This new agreement sets participation ratios for the cost of moving the power lines and placing them underground. UDOT and RMP will each pay 26.36%. West Valley City's share is 47.28%, or \$450,901, based on the estimated cost of the work.

This new arrangement is more beneficial for the City. If costs exceed the estimated amount, all three parties will share in the cost overruns at these same ratios. The old agreement called for the City to bear 100% of any costs above the estimated cost of overhead relocation.

The 3500 South Project bid opening is scheduled for September 16, 2008. Relocation of utilities and other preliminary work should begin this fall.

RECOMMENDATION:

Approval of Cooperative Agreement.

SUBMITTED BY:

Russell B. Willardson, Public Works Director